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**Kenilworth Improvement District
New Orleans, Louisiana**

**Financial Statements
And Accompanying Compilation Report**

For The Year Ended December 31, 2005

Under provisions of state law, this report is a public document. A copy of the report has been submitted to the entity and other appropriate public officials. The report is available for public inspection at the Baton Rouge office of the Legislative Auditor and, where appropriate, at the office of the parish clerk of court.

Release Date 11-15-06

Kenilworth Improvement District

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Section I

PEDELAHORE & CO., LLP
Certified Public Accountants

July 26, 2006

Office of Legislative Auditor
Post Office Box 94397
1600 North 3rd Street
Baton Rouge, Louisiana 70804

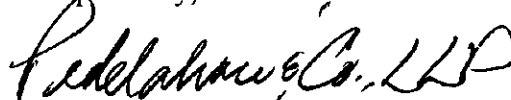
Re: Kenilworth Improvement District
New Orleans, Louisiana

We have completed the compilation engagement of Kenilworth Improvement District (the District) as of and for the year ended December 31, 2005. In accordance with your instructions outlined in the *Louisiana Governmental Audit Guide* please find enclosed one unbound copy of the District's financial statements and accompanying accountant's report. Also attached (but not bound herein) is the Data Collection Form concerning this engagement.

Additionally, copies of the financial statements referred to above have been distributed to the Board of Commissioners of the District.

There are no component units included in the District's reporting entity.

Respectfully,



Pedelahore & Co., LLP
Certified Public Accountants

PEDELAHORE & CO., LLP
Certified Public Accountants

Accountant's Compilation Report

To the Board of Commissioners
Kenilworth Improvement District
New Orleans, Louisiana

We have compiled the accompanying financial statements of Kenilworth Improvement District as of and for the year ended December 31, 2005, as listed in the table of contents, in accordance with Statements on Standards for Accounting and Review Services issued by the American Institute of Certified Public Accountants.

A compilation is limited to presenting in the form of financial statements information that is the representation of management of Kenilworth Improvement District. We have not audited or reviewed the accompanying financial statements and, accordingly, do not express an opinion or any other form of assurance on them.

Management has elected to omit substantially all of the disclosures required by generally accepted accounting principles. If the omitted disclosures were included in the financial statements, they might influence the user's conclusion about the District's financial position and changes in fund balance. Accordingly, these financial statements are not designed for those who are not informed about such matters.

As provided for under the requirements of Louisiana Revised Statute 24:513, the District has not adopted the provisions of Governmental Accounting Standards Board Statement No. 34 for the year ended December 31, 2005. The effects of this departure from generally accepted accounting principles have not been determined.

We are not independent with respect to Kenilworth Improvement District for the year ended December 31, 2005.

Pedelahore & Co., LLP

July 26, 2006

Section II
Financial Statements – Governmental Funds

Kenilworth Improvement District
Balance Sheet
December 31, 2005

Assets

Cash	\$ 93,326
Accounts Receivable	<u>2,945</u>
 Total assets	 <u><u>\$ 96,271</u></u>

Liabilities And Fund Balance

Total liabilities	\$ <u>-</u>
 Fund balance - unreserved and undesignated	 <u>96,271</u>
 Total liabilities and fund balance	 <u><u>\$ 96,271</u></u>

See accountant's compilation report.

Kenilworth Improvement District
Statement Of Revenues, Expenditures And
Changes In Fund Balance
Year Ended December 31, 2005

Revenues

Parcel fees	\$ 136,612
Interest earned	<u>368</u>

Total revenues	<u>136,980</u>
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Expenditures

Patrol and security services	35,122
Insurance	1,983
Miscellaneous expenses	<u>3,604</u>

Total expenditures	<u>40,709</u>
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Net Change In Fund Balance	96,271
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Fund Balance at Beginning of Year	<u>-</u>
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Fund Balance At End Of Year	<u>\$ 96,271</u>
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See accountant's compilation report.

Kenilworth Improvement District
Statement Of Revenues, Expenditures And
Changes In Fund Balance - Budget And Actual
Year Ended December 31, 2005

	<u>Budget</u>	<u>Actual</u>	<u>Variance</u> <u>Favorable</u> <u>(Unfavorable)</u>	<u>%</u> <u>Variance</u>
Revenues				
Parcel fees	\$ 138,600	\$ 136,612	\$ (1,988)	
Interest earned	<u>-</u>	<u>368</u>	<u>368</u>	
Total revenues	<u>138,600</u>	<u>136,980</u>	<u>(1,620)</u>	-1.2
Expenditures				
Patrol and security services	114,685	35,122	79,563	
Insurance	20,000	1,983	18,017	
Neighborhood improvement	2,500	-	2,500	
Miscellaneous expenses	<u>1,415</u>	<u>3,604</u>	<u>(2,189)</u>	
Total expenditures	<u>138,600</u>	<u>40,709</u>	<u>97,891</u>	70.6
Net Change In Fund Balance	-	96,271	96,271	
Fund Balance at Beginning of Year	<u>-</u>	<u>-</u>	<u>-</u>	
Fund Balance At End Of Year	<u>\$ -</u>	<u>\$ 96,271</u>	<u>\$ 96,271</u>	

The budget amounts indicated above are the original amounts. There were no budget amendments during the year.

See accountant's compilation report.

Kenilworth Improvement District
Schedule Of Findings And Questioned Costs With
Management's Response And Planned Corrective Action
Year Ended December 31, 2005

Section I – Compilation

Finding 2005-1: Budgetary Compliance

Criteria: The Local Government Budget Act requires a budget be adopted in an opening meeting before the end of the prior fiscal year.

Condition: The 2006 budget was not adopted in an open meeting and was not adopted prior to the 2006 fiscal year.

Cause: The chief executive or administrative official was not able to arrange an open meeting (in accordance with the Public Meetings Law) to plan and adopt the budget in a timely manner.

Effect: The 2006 budget was not adopted in accordance with the Local Government Budget Act.

Recommendation: We recommend that the District comply with all provisions of the Local Government Budget Act.

Management's
response and
planned corrective
action:

The President of the District concurs with the finding and will take the necessary steps to properly adopt future budgets in a timely manner. The President further indicates that the cause of non-compliance was solely due to the effects of Hurricane Katrina as he was unable to establish a quorum of members to hold an open meeting.

Finding 2005-2: Governance

Criteria: The District shall be governed by a board of commissioners consisting of nine (9) members. (R.S. 33:9078)

Kenilworth Improvement District
Schedule Of Findings And Questioned Costs With
Management's Response And Planned Corrective Action
Year Ended December 31, 2005
(Continued)

Condition:	Since September 2005, the District has not operated and managed its affairs with a majority of its original nine-member governing board as designed by the enabling statute.
Cause:	Due to the effects of Hurricane Katrina, the District is unable to arrange a meeting of a majority of its commissioners in order to properly conduct its business affairs.
Recommendation:	We recommend that the board of commissioners take immediate action to re-establish its governing board by arranging a meeting with a quorum of members or seek other alternatives or assistance to resolve this matter.
Management's response and planned corrective action:	Management of the District concurs with the findings and is presently seeking new and/or additional appointees to the board to remedy this matters. Again, as a result of Hurricane Katrina, management has had only little success in locating its commissioners, and has not been able to have sufficient number of commissioners present at the same time in order to conduct an official meeting.

Section II – Management Letter

None issued.